



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

May 20, 2004

Energy prices and supplies shown throughout this bulletin are from May 17, 2004 unless otherwise noted. Also shown are energy data from a month ago, Apr. 19, 2004, and from a year ago, May 19, 2003.

Transportation Fuels

On May 17, the U.S. average retail price for regular gasoline was over 50 cents higher than at this time last year due to very strong consumer demand at nearly 9.2 million barrels per day over the last 4-weeks, exceeding last year's demand by nearly 0.5 million barrels per day.

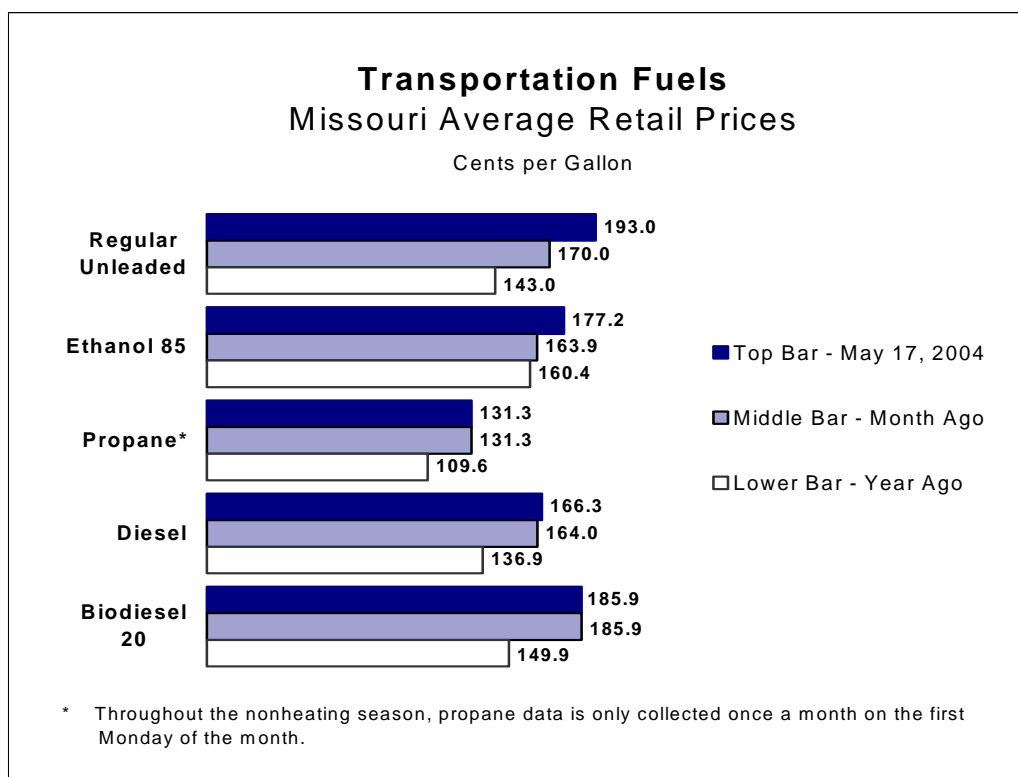
- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last month, increased by 23.0 cents per gallon (14 percent) moving from 170.0 to 193.0 cents per gallon. Throughout this last year, the price paid increased by 50.0 cents per gallon moving from 143.0 to 193.0 cents per gallon, an increase of 35 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, throughout this last month, increased 20.4 cents per gallon (11 percent) moving from 181.3 to 201.7 cents per gallon. This is the highest price (unadjusted for inflation) since EIA began recording this data series in August 1990, and the first time the inflation-adjusted price has been in this range since the fall of 1985. Throughout this last year, the price paid increased by 51.9 cents per gallon, an increase of 35 percent.
- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last month, increased by 2.3 cents per gallon (1 percent) moving from 164.0 to 166.3 cents per gallon. Throughout this last year, the price paid increased by 29.4 cents per gallon moving from 136.9 to 166.3 cents per gallon, an increase of 21 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last month (Apr. 16 to May 14) were up by 3.1 million barrels (7 percent) moving from 47.6 to 50.7 million barrels. In the **United States**, stocks were up by 4.6 million barrels moving from 199.1 to 203.7 million barrels, an increase of 2 percent.

Regular Unleaded Gasoline Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

May 17, 2004 Fuel Data in Cents per Gallon

U.S.	201.7
Midwest	200.3
Missouri	193.0
Central, Mo.	190.1
Kansas City, Mo.	194.7
Northeast, Mo.	194.1
Northwest, Mo.	193.9
St. Louis, Mo.	197.5
Southeast, Mo.	188.6
Southwest, Mo.	190.5

- Total motor gasoline stocks in the **Midwest**, throughout this last year (May 16, 2003 to May 14, 2004), were up by 1.1 million barrels (2 percent) moving from 49.6 to 50.7 million barrels. In the **United States**, stocks were down by 4.7 million barrels moving from 208.4 to 203.7 million barrels, a decrease of 2 percent.
- Gasoline and crude oil prices continue to be very high at the NYMEX supported by concerns over possible disruptions of crude oil from the Middle East. Crude oil prices fell slightly following a call by Saudi Arabia and Kuwait to increase OPEC crude oil production by 1.5 million barrels per day, only to rebound within two days. Gasoline prices have reached historic highs yet consumers continue to use gasoline in record amounts.

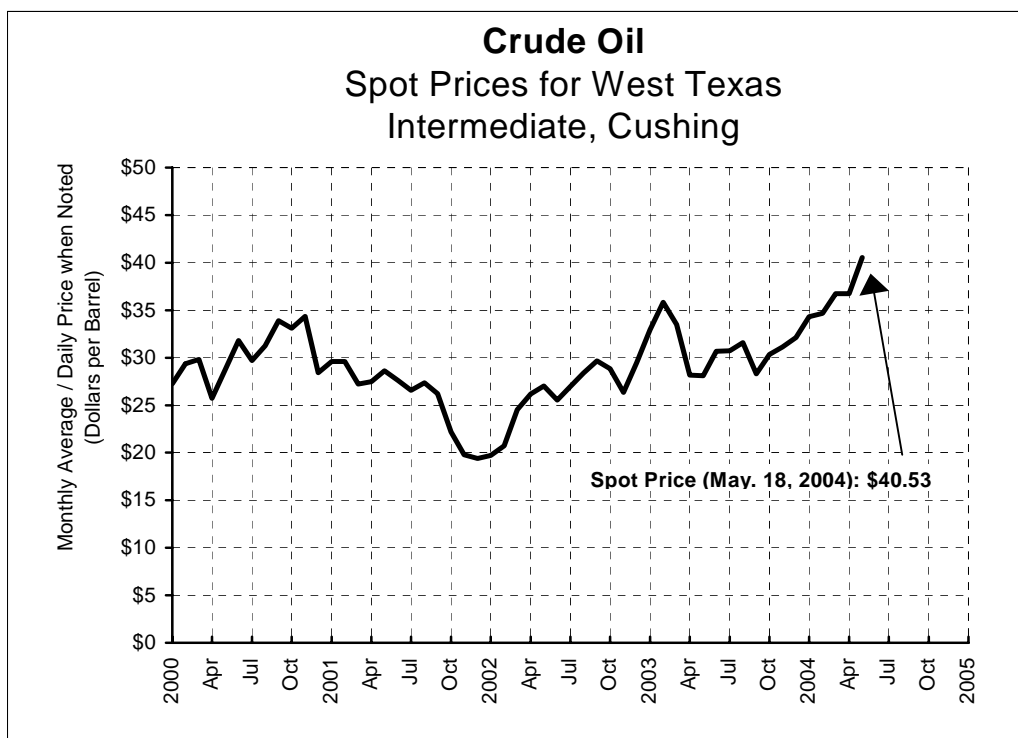


Crude Oil

Crude prices increased to a new high of \$41.52 per barrel at the NYMEX on May 17 following the death of the president of Iraq's Governing Council in a suicide car bombing in Baghdad.

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last *month* (Apr. 20 to May 18), increased by 2.93 dollars per barrel (8 percent) moving from 37.60 to 40.53 dollars per barrel. Throughout this last *year* (May 19, 2003 to May 18, 2004), the spot price increased by 11.70 dollars per barrel moving from 28.83 to 40.53 dollars per barrel, an increase of 41 percent. Source: *Wall Street Journal*)

- The EIA reports U.S. commercial crude stocks at 298.9 million barrels, a decrease of 1.1 million barrels from the prior week but 13.8 million barrels higher compared to this time last year. Crude supplies continue to track at the lower range of the 5-year average.
- Global demand for oil is growing faster than at any time in the last 15 years, fueled by robust economies in China and India and a recovery in the United States, according to the International Energy Agency. The current rate of U.S. gasoline consumption is over 9 million barrels per day. High demand coupled with turmoil in the Middle East continue to sustain record high crude prices.



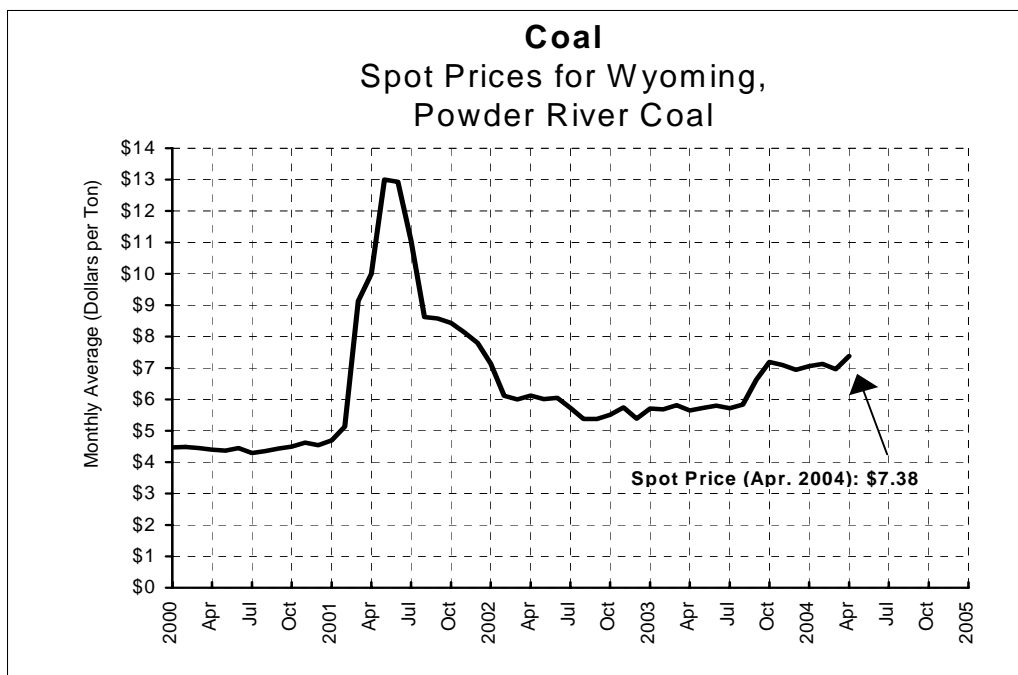
Coal

Coal-fired electric power plants located in Missouri produced 84 percent of all electric power used throughout the state in 2001. Of all coal delivered to Missouri during 2000, about 96 percent came from Wyoming.

The average price paid for Powder River Wyoming coal is 31 percent higher than last year at this time.

- The monthly average price paid for Wyoming, Powder River coal, throughout this last month (Mar. to Apr.), increased by 0.42 dollars (6 percent) moving from 6.96 to 7.38 dollars per ton. Throughout this last year (Apr. 2003 to Apr. 2004), the average price paid increased by 1.73 dollars moving from 5.65 to 7.38 dollars per ton, an increase of 31 percent. (Source: *Wyoming Insight*, Apr. 23, 2004)
- Estimated coal production for the week ending May 15 was 20.6 million short tons (mmst). This was 1 percent above the comparable week in 2003. Year-to-date U.S. coal production is estimated at 400.9 mmst, or 0.8 percent ahead of the corresponding total for 2003.

- With spot coal prices high and holding, new term contract prices are reportedly higher than in recent years for coal in the East. Some mines that were temporarily closed or curtailed are coming back on line. Eastern bituminous producers that can perform the additional needed coal preparation and produce good metallurgical coal are tapping into exceptionally high selling prices in the export market, and also benefiting from relatively favorable U.S. dollar exchange rates. High oil prices, signs of a recovering economy, and growing electricity demand may support firm price floors and tight coal supplies during the coming summer months.



Heating Fuels

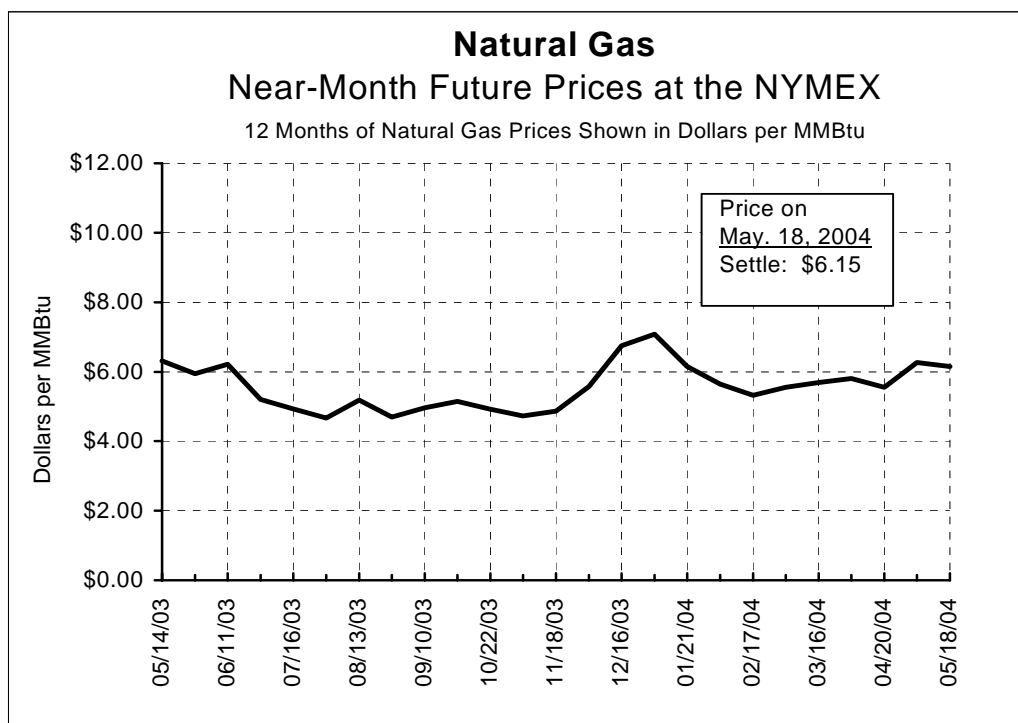
Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies shown from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

Natural Gas

Principal contributing factors sustaining the over \$6.00 per Mmbtu price levels likely include higher oil prices this year as the price of crude oil exceeds last year's level by more than 40 percent.

- The spot price for natural gas at the Henry Hub, throughout this last *month* (Apr. 20 to May 18), increased by 0.65 dollars per MMBtu (12 percent) moving from 5.60 to 6.25 dollars per MMBtu. Throughout this last *year* (May 19, 2003 to May 18, 2004), the price paid increased by 0.10 dollars per MMBtu moving from 6.15 to 6.25 dollars per MMBtu, an increase of 2 percent. (Source: *Wall Street Journal*)

- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last *month* (Apr. 20 to May 18), increased by 0.60 dollars per MMBtu (11 percent) moving from 5.55 to 6.15 dollars per MMBtu. Throughout this last *year* (May 14, 2003 to May 18, 2004), the price paid decreased by 0.16 dollars per MMBtu moving from 6.31 to 6.15 dollars per MMBtu, a decrease of 3 percent. (Source: *Wall Street Journal*)
- Moderating temperatures led to price declines of 12 to 48 cents per MMBtu at virtually all market locations in the Lower 48 States since last Wednesday, May 12. Principal contributing factors sustaining the over \$6.00 per Mmbtu price levels likely include higher oil prices this year as the price of crude oil exceeds last year's level by more than 40 percent.
- Working gas in storage was 1,388 Bcf as of Friday, May 14, 2004, according to the EIA *Weekly Natural Gas Storage Report*. This is about 1 percent less than the 5-year average for the report week. The implied net injection during the report week was 85 Bcf, about 6 percent above the 5-year average net addition of 80 Bcf for the week. Moderating temperatures during the week ended May 14 likely contributed to the higher-than-average rate of injections.

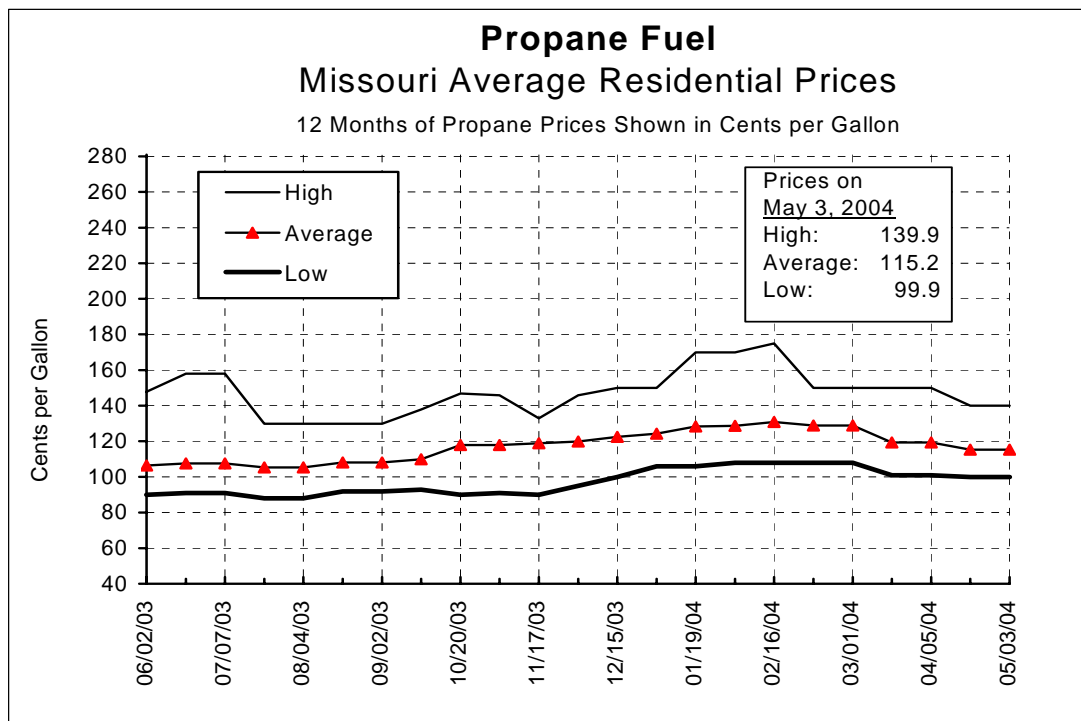


Propane

Midwest propane supplies improved by 2.2 million barrels, placing supplies at 13 million barrels compared with 8.7 million barrels at this time last year.

- Propane stocks in the **United States**, throughout this last month (Apr. 16 to May 14), were up by 4.9 million barrels moving from 27.2 to 32.1 million barrels, an increase of 18 percent. In the **Midwest**, stocks were up by 2.2 million barrels (21 percent) moving from 10.7 to 13.0 million barrels.

- Propane stocks in the **United States**, throughout this last year (May 16, 2003 to May 14, 2004), were up by 3.2 million barrels (11 percent) moving from 28.9 to 32.1 million barrels. In the **Midwest**, stocks were up by 4.2 million barrels moving from 8.7 to 13.0 million barrels, an increase of 48 percent. Cold temperatures during the winter of 2002-2003 resulted in propane stocks that were significantly lower at the end of the heating season.
- With only a little over one week remaining in May, the monthly build may fall short of the 5-year average of more than 8.9 million barrels. Moreover, if the monthly build continues at the same pace, U.S. inventories may dip below the lower boundary of the normal range by the end of the month.



Residential Heating Oil

- Residential heating oil stocks in the **Midwest**, throughout this last month (Apr. 16 to May 14), were up by 0.5 million barrels (7 percent) moving from 7.4 to 7.9 million barrels. In the **United States**, stocks were up by 0.4 million barrels (1 percent) moving from 39.3 to 39.7 million barrels.
- Stocks in the **Midwest**, throughout this last year (May 16, 2003 to May 14, 2004), were down by 0.1 million barrels (1 percent) moving from 8.0 to 7.9 million barrels. In the **United States**, stocks were up by 5.7 million barrels (17 percent) moving from 34.0 to 39.7 million barrels.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.